



Department of Planning, Building and Code Enforcement
801 North First Street, Room 400
San José, California 95110-1795

Hearing Date/Agenda Number:
P.C. November 29, 2004 Item: 6.c

File Number:
GP03-07-10

Council District and SNI Area:
District 7; SNI area: N/A

Major Thoroughfares Map Number:
84

Assessor's Parcel Number(s):
472-11-063, 065

Project Manager: David Tymn

GENERAL PLAN REPORT

2004 Fall Hearing

PROJECT DESCRIPTION:

General Plan amendment request to change the Land Use/Transportation Diagram designation from Industrial Park to General Commercial.

LOCATION: The north side of Story Road (915 Story Road)
approximately 720 feet southwesterly of McLaughlin Avenue.

ACREAGE: 19.59

APPLICANT/OWNER:

Jerry Strangis, Applicant / Hewlett-Packard, Owner

GENERAL PLAN LAND USE / TRANSPORTATION DIAGRAM DESIGNATION:

Existing Designation: Industrial Park

Proposed Designation: General Commercial

EXISTING ZONING DISTRICT(S): IP Industrial Park

SURROUNDING LAND USES AND GENERAL PLAN DESIGNATION(S):

North: Retail Commercial; General Commercial

South: Retail Commercial; Industrial Park w/ mixed Industrial Overlay

East: Retail Commercial; General Commercial

West: Industrial; Industrial Park

ENVIRONMENTAL REVIEW STATUS:

Mitigated Negative Declaration to be adopted on November 29, 2004.

PLANNING STAFF RECOMMENDATION:

General Commercial on 19.59 acres.

Approved by:

Date:

PLANNING COMMISSION RECOMMENDATION:

CITY COUNCIL ACTION:

CITY DEPARTMENT AND PUBLIC AGENCY COMMENTS RECEIVED:

- Department of Transportation (DOT)- The proposed General Plan amendment is exempt from a computer model (TRANPLAN) traffic analysis. See attached memo.
- Department of Public Works (DPW) – DPW stated that they had no comments. See attached memo.
- Pacific Gas and Electric (PG&E) –(PG&E) stated that they had no comments. See attached memo.
- Santa Clara Valley Transportation Authority (VTA)- The VTA had no comments. See attached memo.
- City of San Jose Fire Department – Indicated that they have no comments. See attached Memo.

GENERAL CORRESPONDENCE:

None.

ANALYSIS AND RECOMMENDATIONS:**RECOMMENDATION**

General Commercial on 19.59 acres.

PROJECT DESCRIPTION

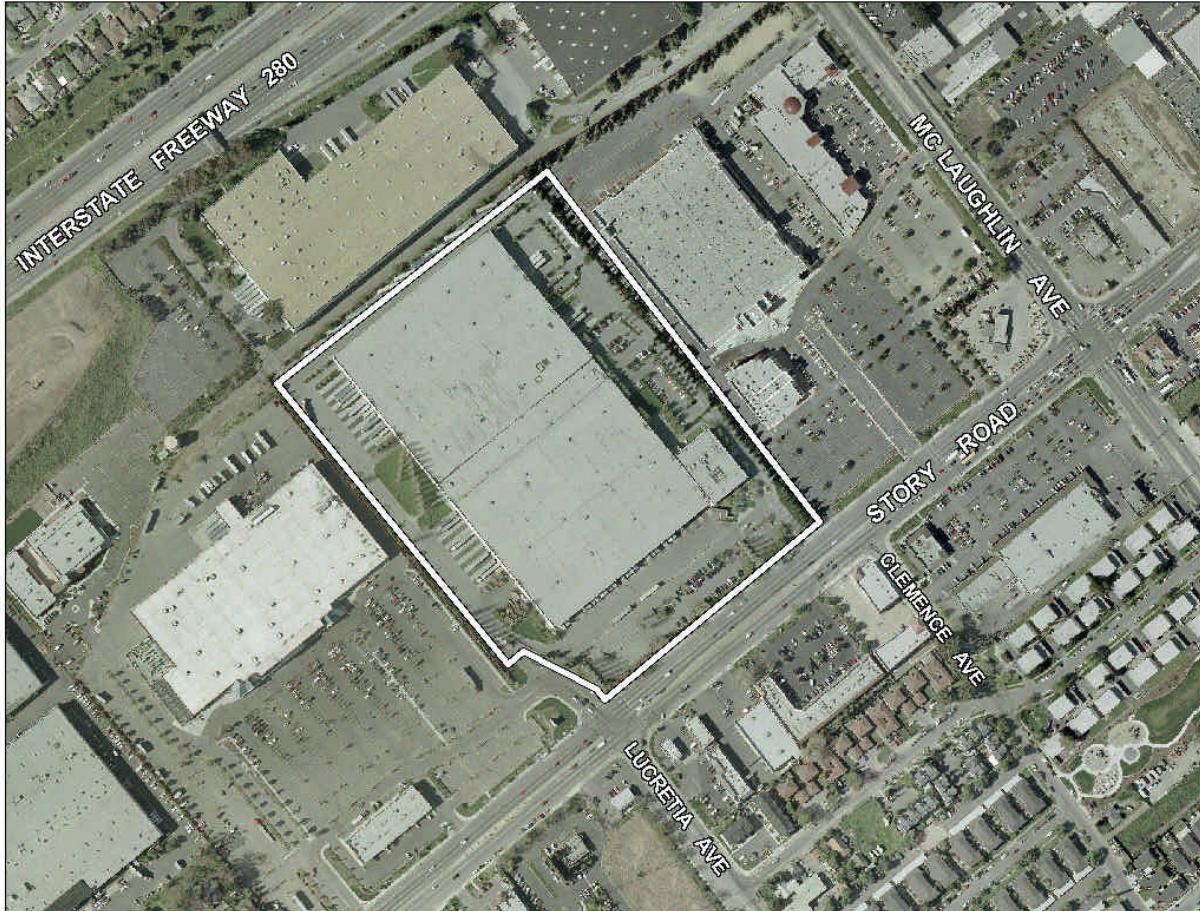
This is a privately initiated request to change the *San Jose 2020 General Plan* Land Use/Transportation Diagram designation from Industrial Park to General Commercial for property located on the northwesterly side of Story Road (915 Story Road) approximately 720 feet southwesterly of McLaughlin Avenue on a 19.59-acre site. There is also a proposed Planned Development rezoning currently on file that proposes approximately 300,00 square feet of retail commercial development at this site. The Planned Development rezoning is currently under review and is tentatively scheduled for hearing in early 2005.

BACKGROUND

The proposal is a General Plan amendment for a 19.59-acre site that is developed with one unoccupied industrial/office building previously used as offices and a warehouse for Hewlett Packard. The subject site is located in the Olinder Redevelopment Project area, and is just northwest and across the street from the Story Road boundary of the Tully/Senter SNI area.

Surrounding Land Uses

The site is located in an area of Story Road that consists primarily of commercial retail uses, with a mix of industrial park and light industrial uses as well. This site is an industrial property surrounded on three sides by commercial uses and, on the fourth side, research and development/office/warehouse uses to the northwest, which consist of concrete tilt up buildings that are accessed from McLaughlin Road near Interstate 280. The site is adjacent to existing retail commercial to the northeast and southwest and to the southeast across Story Road. These businesses are comprised of a variety of neighborhood-serving commercial uses, which include grocery, restaurant, and a variety of personal services.



ANALYSIS

Introducing General Commercial uses on property currently designated for Industrial Park uses raises many issues including land use compatibility, loss of industrially designated land, environmental impacts and General Plan consistency. Among the key issues for staff's review of the proposed change to the Land Use/Transportation Diagram are:

1. Whether the proposed General Commercial designation is compatible with the existing commercial and industrial uses in the immediate area.
2. Whether the proposed land use change to facilitate a General Commercial development in this area is consistent with the Major Strategies, Goals and Policies of the *San Jose*

2020 General Plan that encourage commercial uses but also encourage preserving established industrial lands.

3. Whether the proposed General Commercial designation of the subject site is consistent with the “Framework, as a Guideline, for Evaluating Proposed Conversions of Employment Lands to Other Uses” (Framework).

Land Use Compatibility

The proposed General Commercial designation is compatible with the existing commercial retail development in the surrounding area and is also generally compatible with the existing industrial land uses in the adjacent industrial area to the west because General Commercial uses could provide services to the employees of the remaining industrial businesses. If the subject site were to remain designated as Industrial Park, future uses might remain compatible with the existing surrounding commercial and industrial uses; however, given the fact that this site is somewhat isolated and surrounded by retail uses, future uses allowed under the Industrial Park designation could allow potentially incompatible uses that may conflict with retail uses and customers.

Consistency with the General Plan Major Strategies, Goals, and Policies

The proposed General Plan amendment supports a number of General Plan goals and policies, but is also in conflict with others. Of particular importance are the goals and policies related to the appropriate placement and distribution of commercial uses, and the goals and policies related to preservation of industrial land for economic development. The proposed amendment would result in a loss of 19.59-acres of industrially designated land. The proposed conversion of the site to General Commercial, and its consistency with the General Plan is discussed below.

Economic Development Major Strategy

An important component of the Economic Development Major Strategy is the preservation of the City’s industrial areas that are critical to the City’s economic viability. Industrial park, light and heavy industrial areas, such as the one in which the amendment site is located, provide viable locations for business support uses. These firms help to fuel the San Jose economy because they provide needed services and materials to other businesses, including driving industries. This amendment would further reduce the limited amount of land available for these uses, as well as reduce the viability of the remaining portion of industrially designated land for existing and future industrial uses.

Economic Development Goals and Policies

Economic Development Goal #2 is to create a stronger municipal tax base by obtaining a greater share of the total industrial and commercial development in the County, protecting the exclusively industrial areas from incompatible development, and by nurturing and encouraging expansion of the existing industrial and commercial development in the City. The proposed amendment is consistent with this goal as it promotes the expansion of commercial uses in an area with established commercial retail uses and services.

Economic Development Policy #2 states that in order to enhance the City’s economic development goals and increase employment opportunities for San Jose citizens, the City should:

- Seek to attract businesses and industries, which are particularly suited to the area.
- Protect the industrial lands designated exclusively for industrial uses.
- Attract a diverse mixture of businesses and industries that can provide jobs suitable for the City's unemployed and under-employed labor force.

The proposal is consistent with this policy. This site does not contain industrial land uses that are particularly suited to the area nor is this an area designated for exclusive industrial land uses.

Industrial Land Use Goals and Policies

The intent of the General Plan Industrial Land Use Goals and Policies is to encourage the development of industrial land to provide sufficient opportunities for job growth for the City's residents and for expansion of the City's tax base. According to the General Plan, because some of the industrial land use designations allow for development of non-industrial uses, it is critical that the Land Use/Transportation Diagram designates certain areas exclusively for industrial uses. These areas include North San Jose, Edenvale, and along the Monterey Corridor. Reserving some areas exclusively for industrial uses maintains the desirability of those locations in San Jose for potential future industrial users.

The project site is located on the northwesterly side of Story Road in the Story Road Employment subarea. This area has, over time, evolved into a mix of mostly retail commercial uses with some industrial uses remaining. As a result, staff believes that this area is clearly in transition and could be appropriately developed with addition retail commercial uses, particularly uses that serve the neighborhood. Conversion in the Story Road subarea should not detract from the City's focus of industrial land preservation efforts in areas such as North San Jose, Edenvale, and along the Monterey Corridor

Industrial Land Use Policy #3 states that the City should monitor the absorption and availability of industrial land to ensure a balanced supply of available land for all sectors. The proposed change to General Commercial would decrease the amount of land designated for industrial uses by approximately 19.59 acres. However, the proposed conversion is in an area identified in the "Framework" to be suitable for conversion to Commercial uses.

Industrial Land Use Policy #9 encourages industrial supplier/service business retention and expansion in appropriate areas of the City (e.g., Monterey Corridor). The proposed amendment would reduce the amount of land potentially available for such uses.

Commercial Land Use Policies:

The commercial land use policies reflect the need to locate new commercial uses in the community that facilitate convenient shopping and easy access to professional services and that contribute to the economic base of the City.

Commercial Land Use Policy #2 states that new commercial uses should be located in existing or new shopping centers or in established strip commercial areas. Isolated spot commercial developments and the creation of new strip commercial areas should be discouraged. The proposed General Plan designation is consistent with this policy because the subject site is

located in an established commercial area and would facilitate the expansion of an existing commercial center.

Evaluation of Industrial Land Conversions

The Framework divides the City's inventory of industrial areas into three categories: 1) those to promote or facilitate for conversion, 2) those to consider for conversion under certain circumstances, and 3) those to preserve for Driving and Business Support Industries. The Story Road subarea falls in the first category. In the Story Road subarea, the City Council added that consideration should be given to conversion to retail uses, but not housing, given the well-established retail uses in the area.

Staff believes that this site should be considered for conversion to commercial uses to complete the commercial development of the area. The proposed change to General Commercial is considered compatible with the adjacent uses and follows the City Council direction for conversion of industrial lands to retail uses in the Story Road subarea.

The Framework identifies key criteria that need to be evaluated when considering conversion of employment lands to other uses. The following is an analysis of the proposed amendment based on the established criteria.

A. Economic contribution of the subarea

A background report for the City's fiscal impact study, "Towards the Future: Jobs, Land Use, and Fiscal Issues in San Jose's Key Employment Areas: 2000-2020" describes the Story Road subarea as one of the three subareas in the household-serving employment category. The subject property is unoccupied and is generally not utilized to its full potential as land for industrial business support uses. While there is the potential for intensified industrial use at this site in the future, conversion of this land to General Commercial uses would not be considered a significant loss of employment lands. Commercial development at this site could contribute to the retail tax base for the City and provide additional employment opportunities.

B. Consistency with City Policies and Strategies

As outlined previously, the proposal is generally consistent with the General Plan Economic Development and Commercial Land Use Goals and Policies of the General Plan.

C. Fulfilling the City's retail needs

Approval of this amendment would promote commercial development in an established retail area and could provide of variety of goods and professional services to the surrounding area.

D. Adequacy of major street access

This site is served by Story Road, which is designated as a Major Arterial (115 to 130 foot right of way) on the General Plan Land Use/Transportation Diagram. Arterial streets are designated for the movement of through traffic but also performs a secondary function of providing access to abutting properties. There is a signalized intersection at Story Road and Lucretia, which provides primary access to the site.

E. Potential to influence/encourage conversion of adjoining properties

Given the fact that the remaining industrial properties in the area do not have direct access to major streets or potential for commercial frontage, conversion of this site would not encourage conversion of adjoining industrial properties to the west.

F. Potential negative impact to other planned commercial development areas (e.g., Downtown)

This area of San Jose is an established commercial area. Conversion of this site is expected to allow expansion of the types of commercial uses that already exist nearby and is not expected to negatively impact Downtown or other major commercial centers.

G. Incorporation of mixed-use development.

This site could potentially be developed with mixed uses in the future. However, based on the pending Planned Development zoning application on file, staff anticipates retail commercial development at this site.

H. Adequacy of transit, bicycle and pedestrian facilities

The site is located on Story Road, which is a Major Arterial. Bus transit routes, bike lanes and sidewalks are all readily available in the area.

I. Potential environmental impacts and mitigation measures

The proposed General Plan amendment was analyzed in an Initial Study that resulted in a Mitigated Negative Declaration that was circulated on November 10, and is scheduled to be adopted on November 29, 2004. The Initial Study determined that the change in land use would create less than significant impacts in the following environmental categories with the inclusion of General Plan policy mitigation:

- Land use
- Air quality
- Cumulative Impacts
- Biological Resources
- Cultural Resources
- Geology and Soils
- Hazardous Materials
- Hydrology and Water Quality
- Noise

J. Net fiscal impact on the City of using this parcel for retail instead of the current use

The site is currently unoccupied and under utilized as an industrial park/warehouse facility. Retail development on the site has the potential to increase sales tax dollars as well as provide employment opportunities.

PUBLIC OUTREACH

The property owners and occupants within a 1,000-foot radius were sent a newsletter regarding the two community meetings that were held on October 6 and 7, 2004. The public also received a notice of the public hearings to be held on the subject amendment before the Planning Commission on November 29, 2004 and City Council on December 7, 2004. In addition, this

item was presented to the Tully/Senter Strong Neighborhood Coalition meeting (SNC) on November 4, 2004. The Department web site contains information regarding the General Plan process, amendments, staff reports, and hearing schedules. This web site is available to any member of the public and contains the most current information regarding the status of the amendments.

Attachments

PBCE002/GP_Team/2004Annual Review/GP

GP03-07-10

